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No. 9811

IN THE
United States Circuit Court of Appeals
For the Ninth Circuit

MASICK C. MAGARIAN,
Plaintiff and Appellant,

vs.

DETROIT PRODUCTS COMPANY, a copart-
nership composed of FLOYD E. WAL-
LACE and PERCY J. ELWELL,
Defendants and Appellees.

BRIEF FOR APPELLANT.

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FILED

OCT - 6 1941

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I. JURISDICTION.

This is an appeal to the United States Circuit Court of Appeals for the Ninth Circuit, from the final decree of the United States District Court, Northern District of California, Southern Division (Tr. pages 22-24) in equity suit Number 21,306-S, brought in said District Court because of alleged infringement of United States letters patent, owned by plaintiff-appellant and involving alleged acts of infringement committed by defendants-appellees in said district.

The suit arises under the Patent Laws, and the statutory provisions upon which the jurisdiction of

said United States District Court depends are as follows:

U. S. C. A. Title 28, Sec. 41 (Judicial Code, Sec. 24, amended)

ORIGINAL JURISDICTION. The district courts shall have original jurisdiction as follows: * * *

Seventh. Of all suits at law or in equity arising under the patent, the copyright and the trademark laws.

U. S. C. A. Title 28, Sec. 371 (Judicial Code, Sec. 256, amended)

EXCLUSIVE JURISDICTION OF UNITED STATES COURTS. The jurisdiction vested in the courts of the United States in the cases and proceedings hereinafter mentioned, shall be exclusive of the courts of the several states: * * *

Fifth. Of all cases arising under the patent-right or copyright laws of the United States.”
* * *

U. S. C. A. Title 28, Sec. 109 (Judicial Code, Sec. 48)

PATENT CASES. In suits brought for the infringement of letters patent, the district courts of the United States shall have jurisdiction in law or in equity, in the district of which the defendant is an inhabitant, or in any district in which the defendant, whether a person, partnership or corporation, shall have committed acts of infringement and have a regular and established place of business. If such suit is brought in a district of which the defendant is not an inhabitant, but in which such defendant has a regular and established place of business, service of process, sum-

mons, or subpoena upon the defendant may be made by service upon the agent or agents engaged in conducting such business in the district in which the suit is brought.

With respect to this appeal, jurisdiction is conferred upon the United States Circuit Court for the Ninth Circuit by the following provisions:

U. S. C. A. Title 28, Sec. 225 (Judicial Code, Sec. 128, amended)

APPELLATE JURISDICTION—

(a) Review of Final Decisions. The Circuit Courts of Appeal shall have appellate jurisdiction to review by appeal or writ of error final decisions—

First. In the district courts, in all cases save where a direct review of the decision may be had in the Supreme Court under Section 345 of this title. * * *

(d) Circuits in which Reviews shall be had. The review under this section shall be in the following circuit courts of appeals: The decisions of a district court of the United States within a state in the circuit court of appeals for the circuit embracing such state; * * *

The existence of the jurisdiction is shown by the facts and pleadings, as follows:

Plaintiff is a citizen of the United States of America, and a resident of the City of Fresno, in the County of Fresno, and State of California. (Complaint, Tr. page 2.)

Defendant is a copartnership composed of Floyd E. Wallace and Percy J. Elwell, having its principal place of business in the Town of El Segundo, County of Los Angeles, State of California, and having a regular and established place of business in the City and County of San Francisco, and State of California, at 537 Turk Street; the acts of infringement complained of have taken place in said City and County of San Francisco, State of California, and elsewhere. (Complaint, Tr. pages 2 and 3.)

Prior to the trial, a motion was made by the Defendants to dismiss the action for lack of jurisdiction, the Defendants claiming that they did not have any regular and established place of business in San Francisco. This motion was denied by the Trial Court after having been submitted upon affidavits and briefs, and was again denied in the Order for Judgment on Findings. (Tr. page 15.) No appeal was taken by Defendants on this point which, therefore, is not in issue in the present procedure.

II. STATEMENT OF THE CASE.

A. The patents in suit.

This is a suit in equity based on alleged infringement by the appellees of the following two patents owned by the Appellant, Masick C. Magarian:

Patent No. 2,153,634, issued to Masick C. Magarian on a Signaling Arm on April 11, 1939 (Plaintiff's Exhibit H, page 263 of Books of Exhibits), and

Design Patent No. D-109,148, issued to Masick C. Magarian on a Signal Arm on April 5th, 1938. (Plaintiff's Exhibit I; page 267 of Books of Exhibits.)

Both patents relate to the same subject-matter and the applications were filed on the 16th day of November, 1937. They cover a signaling arm (introduced in evidence as Plaintiff's Exhibit C), adapted particularly for use on motor trucks, and the objects of the invention are set forth in the utility patent as follows:

1, to provide a signaling arm that is particularly efficient in attracting the attention and in giving information of proposed changes in the direction or speed of travel of a motor vehicle,

2, to provide a signaling arm that will be equally effective in day driving and in night driving,

3, to use reflecting lenses in combination with a signaling arm and to arrange a plurality of lenses on an arm in such a manner that the lenses form a line coinciding with the line formed by the arm so that the lenses serve to accentuate the directional information given by a particular position of the arm,

4, to use lenses which of themselves are of a shape elongated in the general direction of the arm so as to aid in conveying directional information,

5, to use lenses of a shape and construction particularly adapted to reflect rays in many directions so that the intended signal may be conveyed to drivers of other vehicles approaching at different angles, and

6, to provide a signaling arm of simple construction, of attractive appearance and one that looks exactly the same whether viewed from in front or from the rear.

The utility patent issued with four claims. Claim 2 was withdrawn by the Appellant from issue, and the remaining three claims read as follows:

1. In a lens mounting for a signal arm, two identical elongated plates having registering marginal flanges and spaced body portions with registering openings therein, lenses having flanges bearing upon the inner margins of the openings and having body portions projecting through the latter, a separator between the lenses and means for securing the flanges of the plates together, whereby the body portions of the plates are made to clamp the lenses upon the separator, the lenses having shaped inner faces to produce desired reflecting effects and the separator serving to prevent play between the lenses and the plates.

3. In a direction indicator, a signal arm comprising a pair of elongated plates arranged face to face and having marginal flanges, the body sections of the plates being offset to define an elongated lens-receiving space, each of the body sections having an aligned series of openings therein registering with those of the other, lenses mounted in the openings of each body section and having flanges bearing on the inner faces thereof and a common separator for spacing opposing lenses, the separator being coextensive with the lens receiving space to facilitate positioning of the same during assembly.

4. In a direction indicator, a signal arm comprising a pair of elongated plates arranged face to face and having marginal flanges, the body sections of the plates being offset to define an elongated lens-receiving space, each of the body sections having an aligned series of openings therein registering with those of the other, lenses mounted in the openings of each body section and having flanges bearing on the inner faces thereof and a common separator for spacing opposing lenses, the separator being coextensive with the lens-receiving space to facilitate positioning of the same during assembly, and the faces of the body sections being parallel so as to exert uniform pressure on the interposed lenses and the separator.

The Design Patent, based on the same disclosure, issued with one claim:

“The ornamental design for a signal arm, substantially as shown.”

B. Plaintiff's history.

The Patentee uses in his patent the so-called Stimsonite lens, the dominant feature of which is that it has on its inner face a large number of pyramidal reflectors, particularly adapted for reflecting light rays back substantially in the same direction from which they came.

Appellant does not claim invention of the Stimsonite lens, and the latter is fully described (as a round lens) in the Patent No. 1,807,350 to J. C. Stimson, dated May 26th, 1931. (Tr. page 293.) But it appears, that no one, prior to Appellant's doings, had ever applied the Stimsonite reflector to a signaling arm.

Appellant must, therefore, be considered the one who pioneered the idea of making the Stimsonite reflector available for use in a signaling arm.

The art of signaling devices for motor vehicles is relatively old and dates back to a time long before either of the present parties entered upon the scene. The defendant, in his answer to the complaint, cites some twenty-six different prior patents (Tr. page 8), some dating back as far as 1917, 1919 and 1921; and the Elliott Patent relied on in Finding No. 9 (Tr. page 18), as the principal reference against the utility patent, issued as early as 1922. The State of California passed an act with respect to these signals in 1925. (Tr. page 207.)

The Appellant started in business in April or May, 1935 (Tr. page 34), the major portion of his business being devoted to the manufacture and sale of signaling arms, and his sales extending throughout the Western States. Prior to that time, namely early in 1934, he thought of the idea of using a Stimsonite reflector of the oblong type on a signaling arm, as evidenced by his blue print Plaintiff's Exhibit K, which shows the rectangular lens. (Tr. page 270.) This blue print he sent to The Guide Lamp Division, a manufacturer of Stimsonite lenses, for quotations (Tr. page 39), but was advised that for various reasons the manufacture of this type of lens would be impractical. (Tr. page 40.)

Thus, when he started to do business, he first brought on the market various other types, including the signaling arm identified as Plaintiff's Exhibit A. This arm

terminates in an arrowhead and is provided in the latter with a pair of opposing Stimsonite lenses of the round type as disclosed in the Stimsonite Patent. (Tr. page 292.) It was on the market in April or May, 1935. (Tr. page 71.)

In the meantime he kept working on the oblong type of Stimsonite reflector and developed the oval type. (Tr. page 41.) He sent a drawing of this reflector to the Guide Lamp Corporation to secure quotations on the lens and the cost of a mold necessary for mass manufacture. He received a reply in which the Guide Lamp Corporation submitted a slightly modified drawing E3559. (Tr. page 43, Plaintiff's Exhibit O, Tr. page 271.) This form was apparently considered satisfactory, and was incorporated, with a minor change, in the final signaling arm.

He proceeded to make the first complete arm in response to a Government bid in May, 1936. This arm was in all respects the same as the patented arm, except that it was about twice the length, to answer Government specifications, and was introduced in evidence as Plaintiff's Exhibit J. (Tr. page 45.)

During 1936, he made dies for the patented arm which was ready for the market and sold in August, 1936. (Plaintiff's Exhibit C, Tr. page 45.) In the meantime it was necessary to secure approval of the arm from the Motor Vehicle Department of the State of California, which, at that time, had carried on extensive investigations with regard to all signaling equipment. (Tr. page 135.)

Appellant applied for approval in August, 1936 and secured the approval in December, 1936. (Tr. page 238.) (See also Letter of Approval from State Motor Vehicle Department, dated December 4, 1936; Plaintiff's Exhibit W, Tr. page 272.)

The patented arm met with considerable success in the market. Appellant sold, in round numbers, 3000 signaling arms during the last few months of 1936; 19,000 in 1937; 23,000 in 1938; 21,000 in 1939, and 7,600 during the first half of 1940 (Tr. pages 53, 54 and 160), making a total of 73,600 Signaling arms.

C. Defendants' history.

The defendants and Appellees have their principal place of business in El Segundo, California. Mr. Wallace apparently began to make and sell signaling arms in 1927. The first one made by him is the one illustrated in the leaflet, Defendants' Exhibit A. (Tr. page 207.) The record does not indicate how many of these were sold. In 1931 he testified he made an arm illustrated in the blue print (made only recently) identified as Defendants' Exhibit C. Of these only 15 were made. (Tr. page 208 and fig.) In 1932, he developed the arm identified as Defendants' Exhibit I, of which only two were made. (Tr. pages 199-206.) At about the same time, the appellees placed on the market Defendants' Exhibit D, of which 3-4000 were sold between 1931 and 1935. (Tr. page 213.) In 1935, they placed on the market Defendants' Exhibit V which they kept selling until 1938.

In January, 1938, the Appellees changed over to the accused arm, Plaintiff's Exhibit E, the three-window type. They were advised by the Motor Vehicle Department that the lenses lacked visibility and probably would not meet the requirements of the Department. They were further told by the latter that the Guide Lamp Corporation (the Company manufacturing Appellant's lenses) would furnish them with a lens having the necessary reflection. (Tr. page 219.) They approached the latter company with a drawing of a lens similar to that of Plaintiff's Exhibit E (Tr. page 212), and were told that they might run into patent trouble, since the Company had furnished this type of lens to "another customer" (no doubt, Mr. Magarian) "for several years". (Tr. page 220.) Upon receipt of this letter, the appellees submitted to the Guide Lamp Corporation another sketch illustrating the lens used in the second accused arm, Plaintiff's Exhibit D, which latter was placed on the market some time in the middle of 1938. Appellees, according to Mr. Wallace, sold about 500 of Plaintiff's Exhibit E, but made an attempt to exchange as many as possible for the later arm Plaintiff's Exhibit D. This was done in compliance with the request of the Motor Vehicle Department (Tr. page 224), and not in any acknowledgment of Appellant's patent rights, as Mr. Wallace expressly states in his letter of August 13, 1938. (Tr. page 60.)

During this time, the two parties to this action were the principal competitors in the Western States and conducted between them the major portion of the business (Tr. page 148), although there were other competitors.

D. Pre-trial history.

The Complaint follows the simplified form suggested by the Supreme Court in the new Rules of Civil Procedure and contains the usual allegations. The answer raises the following defenses:

1, that the improvement does not amount to invention, but to mere mechanical skill,

2, that the claims are not for valid combinations, but for mere aggregations,

3, constructive abandonment by public sale of Plaintiff's Exhibit A, more than two years prior to the filing date of the patent application,

4, anticipation in some twenty-six different patents,

5, alleged false marking,

6, estoppel by file wrapper,

7, introduction of new matter unsupported by a new Oath. This point was not stressed during the trial and in the arguments.

As a result of a Pre-Trial Conference, the Appellees admitted plaintiff's title to the patent, admitted the manufacture and sale of the signal arms Plaintiff's Exhibits D and E, and reduced the number of patents relied on specifically to the following eight (Tr. pages 12-15):

Kimbrough	1,600,887	September 21, 1926
Stimson	1,807,350	May 26, 1931
Elliott	1,415,817	May 9, 1922
Costenbader	1,673,865	June 19, 1928
Reynolds	1,873,033	August 23, 1932
Carter	1,659,082	February 14, 1928
Miller	1,860,710	May 31, 1932
British Patent to Denis	341,652	accepted January 22, 1931

Prior to the trial a motion was made by the defendants to dismiss the action for lack of jurisdiction, the defendants claiming that they did not have any regular and established place of business in San Francisco. This motion was denied by the trial court after having been submitted upon affidavits and briefs, and was again denied in the final judgment. No appeal was taken by the defendants on this point, which, therefore, is not an issue in the present procedure.

E. Judgment of the Court.

The trial court held both patents invalid for lack of invention and dismissed the suit with judgment to defendants for their costs. From this decision plaintiff appeals.

III. SPECIFICATION OF ERRORS.

The Trial Court erred:

1. In not holding Claims 1, 3 and 4 of the Plaintiff's Patent No. 2,153,635, valid and infringed by the Defendants' signaling arms, Plaintiff's Exhibits D and E;
2. In not holding the Plaintiff's Design Patent No. D-109,148, valid and infringed by the Defendants' signaling arms Plaintiff's Exhibits D and E;
3. In holding that "signal arms having two identical elongated plates having registering marginal flanges and spaced body portions with registering openings therein" were disclosed in Plaintiff's Exhibit A and in the Elliott Patent;

4. In holding that it was not new at the time of the Plaintiff's alleged invention to manufacture signal arms "with lenses having flanges bearing upon the inner margins of the openings and having body portions projecting through the openings in the plates", on the ground of such feature being illustrated in Plaintiff's Exhibit A;

5. In holding that it was not new at the time of the Plaintiff's alleged invention to manufacture "signal arms with separators between the lenses or to secure the flanges of the plates together to cause the plates to clamp the lenses upon the separator", on the ground of this feature being shown to be old in Plaintiff's Exhibit A.

6. In holding that it was not new at the time of the Plaintiff's alleged invention to have the lenses of signal arms having "shaped inner faces to produce desired reflecting effects, or to have the separator preventing play between the lenses and the plates", on the ground of such shaped lenses being illustrated in Plaintiff's Exhibit A and the utilization of the separator to prevent play being illustrated in Plaintiff's Exhibit A.

7. In holding that it was not new at the time of the alleged invention of Plaintiff's Design Letters Patent to have "a signal arm composed of identical elongated plates having raised center portions and marginal flanges with reflectors mounted in a row along the length of the raised center portions", on the ground of these being shown to be old in Defendants' Exhibit D;

8. In holding that it was not new at the time of the alleged invention of Plaintiff's Design Letters Patent to use "elongated lenses or reflectors on signal arms" on the ground of such being shown to be old in the Costenbader Patent:

9. In holding that the use of a plurality of reflecting lenses in a row on the sides of a vehicle signal arm and the use of elongated lenses for this purpose at the time of the Plaintiff's alleged invention was a mere matter of selection or option not amounting to invention, but instead mere mechanical skill;

10. In holding that the use of a single separator between the lenses arranged in rows in opposite sides of the signal arm, and the making of this separator so as to be co-extensive with the lens-receiving space provided by the plates of the signal arm, at the time of the Plaintiff's alleged invention, did not amount to invention, but to mere mechanical skill;

11. In failing to recognize that each of the claims in issue defines a combination of different elements, and that such combination may be new and patentable, even though all the elements be proven to be old.

12. In failing to recognize that a Design Patent is to be judged by the over-all esthetic effect and ornamental appearance of the patented device, and cannot be defeated by a mere showing of mechanical arrangements in the prior art;

13. In failing to make any finding with respect to Plaintiff's reduction to practice, and the number of Plaintiff's devices made under the patent and dis-

tributed throughout the Western States, before the Defendants began to manufacture the accused devices.

14. In failing to give any consideration to the commercial success of Plaintiff's signaling arm;

15. In failing to apply the rule that the adoption of the patented construction by a Defendant in preference to all the prior art, indicates invention;

16. In failing to apply the principle that the citation of a large multiplicity of references in itself, is evidence of invention;

17. In according to the Defendants the status of a pioneer in the art, although signaling arms were patented a long time before the Defendants entered upon the manufacture of such arms, and although the State of California had passed a law with respect to signaling arms several years before that time.

18. In not giving Plaintiff the status of a pioneer although he was the first one to introduce the use of a Stimsonite reflector lens into the signaling arm industry.

19. In not giving any weight to the maxim of the law that a patent carries the presumption of validity.

20. In dismissing the Bill of Complaint herein with judgment to the Defendants for their costs.

IV. SUMMARY OF ARGUMENT.

The Patented Arm is made up of three different elements: 1, a pair of identical elongated plates; 2, a number of identical lenses or reflectors; and

3, a single separator. Each of these elements is novel in the sense that no prior art structure shows the plate, or the lens, or the separator, or any equivalent element that could be bodily substituted for any of them.

The specific advantages of the patented arm are: 1, simplicity in manufacture; 2, increased visibility; and 3, attractive appearance.

The prior art comprises: Defendants' prior structures; the Plaintiff's own prior structure, Plaintiff's Exhibit A; and a number of prior patents.

Out of the three elements or building stones, the Appellant has constructed a simple combination, in which two identical, elongated plates clamp an alined series of paired reflectors upon a common separator with substantially uniform pressure. This combination idea is not disclosed in any prior art structure.

The utility patent contains four claims of which Claims 1, 3 and 4 are in issue.

Claim 4 is the most specific claim, but clearly covers the accused structures, since the latter are substantially identical with the patented structure. When this claim is broken down and analyzed, it clearly appears

1, that this claim defines a genuine combination in which all parts cooperate toward a common end,

2, that each of the elements is novel as compared with the prior art structures, and

3, that the combination as a whole is novel over the prior art structures.

No attempt has been made in the Findings to anticipate the combination of Claim 4 as a whole.

Claim 3 is substantially similar to Claim 4, with one limitation omitted, and is not anticipated in the prior art structures.

Claim 1 is not anticipated in the prior art, if given a reasonable construction in the light of the disclosure, and with the words used in their ordinary meaning.

Each of the three claims in issue covers both accused structures.

The Design Patent: Appellant's design satisfies the modern aesthetic sense of uniformity and streamlined simplicity, whereas the closest prior structure (Defendants' Exhibit D) seeks aesthetic appeal in a rather primitive scheme of diversity.

When comparing the three structures in issue with the prior art structures, an observer will almost automatically set off the three structures in issue in a class by themselves, as conveying the same aesthetic impression, and as distinguished from all prior art structures.

A study of analogous and pertinent decisions indicates that both patents are valid and that both patents are infringed by both of Defendants' structures.

V. ARGUMENT.

A. THE PATENTED ARM.

The patented arm is exemplified by Plaintiff's Exhibit C. It is intended particularly for use in connec-

tion with trucks, school buses and the like, and the manner of using it is well illustrated in the Circular, Plaintiff's Exhibit U.

The arm is made up, in its essential features, of three parts, namely:

- 1, a pair of identical elongated plates,
- 2, a number of identical lenses, and
- 3, a single separator.

Each of these elements is novel in the sense that no prior art structure shows the plate, or the lens, or the separator, or any equivalent element that could be bodily substituted for any of them.

The plates are elongated in form, having registering marginal parallel flanges which are adapted to be fastened upon one another and have offset body portions which cooperate with one another to form an elongated lens-receiving space or chamber. The body portions are perfectly smooth and are formed with a series of alined lens-receiving openings which extend lengthwise throughout the operative length of the arm.

The lenses are of oval, elongated shape corresponding to the size of the openings in the plates, have rounded outer faces, and have marginal flanges. When assembled the marginal flanges are inside the lens-receiving chamber while the smooth outer faces project through the openings and merge into the outer faces of the plates.

The separator is elliptical and has the same length as the lens-receiving chamber, and serves as a common separator for all the opposing lenses.

The specific advantages of the Magarian patented arm may be classified as follows:

1. **Simplicity in manufacture:** Since the plates are identical and all the lenses are identical and a single separator serves for all the lenses, the component parts are reduced to three (apart from the rivets). The method of assembly is extremely simple; one plate is positioned in inverted position on a horizontal support; a set of lenses is dropped into place; the separator is placed on top of the lenses, a second set of lenses is positioned on top of the separator and the second plate applied, which completes the assembly, except for the riveting operation.

In this operation, the parts almost automatically find their places and assume their correct positions. The lenses on the lower plate, due to their smooth outer faces and their oval curvature, naturally gravitate into position; the separator fits right into the lens chamber and is easily positioned, while the upper lenses naturally move into their proper places on the application of the upper plate. After riveting, all the parts form a compact unit, the plates bearing on the lenses and the lenses on the separator, with little chance of any part becoming loose or displaced.

2. **Visibility:** The lenses are of the reflecting type, which require no inside source of light, but depend for visibility upon reflection of light rays coming from another source, such as the headlights of an approaching car. The lenses are oval in shape, elongated and arranged in alinement so as to occupy a large space on the arm and to form the outline of an arm in themselves, particularly when viewed from a distance.

3. Appearance: The arm is designed to produce what is known at the present time as a streamlined effect, that is, a simplicity of outline that is recognized by our present standards of industrial design and art as being essential for sales appeal. The upper and lower edges are parallel and the lenses are accommodated in a single lens-receiving chamber or space, which again runs parallel to the upper and lower edges. The holding parts for the lenses are accommodated inside the lens receiving chamber and the visible parts of the lenses rise from the plain edges of the lens openings in a smooth curvature which then makes practically an integral part of the arm. The outer faces of the lens-receiving chamber are unbroken by rivets or other fastening means, and a person may slide his hand over edges and sides of the arm without encountering any obstacles. The lenses may be cleaned by the simple method of wiping a cloth over the edges of the arm from end to end.

The sales appeal of the patented arm is most eloquently demonstrated, not only by its immediate conquest of the market, but also by the adoption by the defendants of the same arm, although a large number of other arms were available, as evidenced by the twenty-eight prior patents cited by the Examiner of the Patent Office and numerous prior devices used by both the plaintiff and the defendants.

B. THE PRIOR ART.

The prior art structures may be grouped as follows:

1. The defendants' prior art structures, comprising
 - a. Defendants' Exhibit A, the signal arm illustrated in the leaflet, made to simulate the human arm and hand, and allegedly sold by the defendants in 1927;
 - b. Defendants' Exhibit D, a signaling arm allegedly sold by the defendants during the period from 1931 to 1935.
 - c. Defendants' Exhibit I, of which only two were sold in 1932.

These are the only prior structures of defendants mentioned in the findings, and apparently are considered the most pertinent ones although a few additional ones were referred to in the testimony. (Defendants' Exhibits C and V.) None of these structures were mentioned in the answer to the complaint.

2. The Plaintiff's prior structure, Plaintiff's Exhibit A.

3. The following prior patents:

Elliott	1,415,817	issued May 9, 1932
Kimbrough	1,600,887	Sept. 21, 1926
Stimson	1,807,350	May 26, 1931
Costenbader	1,673,865	June 19, 1928
Reynolds	1,873,033	August 23, 1932
Carter	1,659,082	February 14, 1932
Miller	1,860,710	May 31, 1932

and the British Patent to Dennis No. 341,652, issued January 22, 1931.

C. THE UTILITY PATENT.

1. COMBINATION IDEA NOT ANTICIPATED.

Out of the three elements mentioned, the plate, the lens and the separator, the Appellant constructed a simple combination in which two identical elongated plates clamp an alined series of paired lenses upon a common separator with substantially uniform pressure.

It is significant to note that no attempt was made in the findings to anticipate the combination idea as a whole, that is, to find a single prior structure which would substantially anticipate the entire invention. And still it is one of the basic axioms of the patent law that a combination can only be anticipated by a similar combination containing the same or equivalent elements.

“In order to anticipate a patent for a combination, a prior patent must disclose all the elements of such combination, or their mechanical equivalents, functioning in substantially the same way to produce substantially the same result.” (*Williams Iron Works Company v. Hughes Tool Company*, 109 F 2nd 500.)

“Disclosures of several prior art patents may not be combined for the purpose of invalidating a patent for a combination.” (*Cover v. Chicago Eye Shield Company*, 111 F 2nd 854.)

It would be difficult indeed to find among the prior structures a single one which would anticipate the plaintiff's general combination.

Referring first to the defendants' own prior structures, the first arm shown in Defendants' Exhibit A comprises merely a single plate, without any lenses.

The arm, Defendants' Exhibit I, again is a single plate, with some decorative features, but without any lenses. The arm Defendants' Exhibit D uses four lenses on each side, but each of these lenses is secured individually to its respective side plate by means of a bolt and nut, and the idea of applying the lenses from within and of clamping all of them between the two plates in a single operation is altogether absent from this arm.

It should be noted, in this respect, that the defendants themselves, in the findings prepared by them, did not mention any of their own prior structures as anticipatory of any feature of the utility patent; nor did they plead any of them.

Of the eight prior patents relied on by the Defendants, the only one mentioned in the findings as anticipating any feature of the Utility Patent is Elliott. (Finding 9, Tr. page 18; Elliott Patent, Page 284 of Tr.) Whether or not it anticipates the particular feature referred to, it certainly does not anticipate the plaintiff's structure as a whole. It does not show any paired lenses, no separator and no general idea of clamping an aligned series of paired lenses between two plates in a single action.

No other prior patent is mentioned in the findings as anticipating the Utility Patent as a whole or any feature thereof, and it is plain that none of them does. Kimbrough relates to roadway reflecting signals and lacks the feature of a signaling arm altogether. The Stinson Patent merely refers to a lens. The Costenbader Patent shows a single plate with lenses fastened

upon opposite faces. The Reynolds Patent discloses a single plate 22 having some reflectors mounted thereon. The Carter Patent shows two lenses 15 and 16 held upon opposite ends of a sleeve 14 by means of retaining rings 15' and 16'. The Miller Patent relates to a highway marker and lacks the features essential to a signaling arm, and the Dennis Patent fastens each stud to its respective plate individually. The idea of the common clamping action of a pair of plates on a series of paired lenses is altogether absent from all of these patents.

There only remains Plaintiff's Exhibit A which represents an intermediate step in the development of the patented invention; it is not the finished article; it is not the "last step", and it does not show any marked resemblance to the finished article.

Whether Appellant could have obtained a valid patent on his Plaintiff's Exhibit A need not be discussed. He did not believe so at any rate; the mental picture he had carried in his mind since 1934, and which involved the use of an elongated lens, was not complete.

Comparing the patented arm with Plaintiff's Exhibit A, there is still considerable patentable difference. In the first place, the unitary structure of the finished article is missing in the Exhibit A. In the latter, the arm is made of four metal plates, which are first assembled into two units to be later united in a further operation. In the patented arm only two plates are used and are assembled into the finished arm in a single operation.

In Exhibit A, two different kinds of reflectors are used, while in the patented arm, all reflectors are alike and interchangeable.

In Exhibit A, round reflectors are used and are apt to work loose and rotate in their sockets, while in the patented device, elongated reflectors are used which cannot work loose and rotate.

In Exhibit A, each pair of reflectors is separately held in place, with individual gaskets between the reflectors, whereby the latter are subjected to individual pressure which may vary widely for different lenses. In the patented arm all the reflectors are accommodated in a single long chamber, with a single separator interposed between the lenses of the different pairs whereby the compressive force by which the lenses are held in place is made substantially uniform throughout the length of the arm.

Exhibit A does not show the marginal flanges of the patented article, and it is necessary to rivet the body sections between the lenses.

Plaintiff's Exhibit A clearly proves, along with other exhibits (Pl. Exhibits K and O, Tr. pages 270 and 271) that the Plaintiff was the one who pioneered the idea of the Stimsonite lens for a signaling arm, but the last step in the perfection of the invention came with the elongated, oval lenses; the simplicity of construction, involving only three elements (the plates, the lenses and the gasket); the elongated chamber for holding all the lenses; the single gasket coextensive in length with the entire chamber to form a common

separator for all the lenses; and the marginal flanges and the parallel faces for exerting uniform pressure throughout the length of the arm. All of these improvements are only found in the patented signaling arm.

2. CLAIMS NOT ANTICIPATED.

The prior art structures thus fail to anticipate the patented structure insofar as no single prior art structure, taken by itself, can be said to show the combination of Plaintiff's structure. The next question is whether the claims defining the invention are such as will avoid the prior art.

a. Claim 4 analyzed.

Since all the claims in issue have been held invalid, and there is little doubt but that all of the claims in issue are infringed by the defendants' structure, we might begin with the discussion of the most specific claim, which is Claim 4.

Claim 4, with its different parts or elements segregated, reads as follows:

4. In a direction indicator, a signal arm comprising:

a, a pair of elongated plates arranged face to face and having marginal flanges,

b, the body sections of the plates being offset to define an elongated lens-receiving space,

c, each of the body sections having an alined series of openings therein registering with those of the other,

d, lenses mounted in the openings of each body section and having flanges bearing on the inner faces thereof,

e, a common separator for spacing opposing lenses, the separator being coextensive with the lens-receiving space to facilitate positioning of the same during assembly,

f, the faces of the body sections being parallel so as to exert uniform pressure on the interposed lenses and the separator.

This claim, no doubt, recites a genuine combination, in which each part performs its function in cooperation with the other parts, and therefore, is not subject to piecemeal anticipation. There is no element or part in this claim which stands off by itself and would add merely an aggregative, unrelated feature. By all the rules of our Patent Law, it would seem to be necessary to show that a single prior art structure discloses a combination of substantially the same elements or the equivalents thereof.

Where is such prior art to be found? The findings fail to point out a prior structure combining these elements, and a careful scrutiny of all of the prior structures leads to the realization that there is no such structure.

Probably the closest structure is Plaintiff's own prior development, Plaintiff's Exhibit A. The findings, at least, dwell on this structure more than any other. Upon careful comparison it will be noted that this structure does not meet the spirit of the claim nor

of any of the individual elements thereof. Taking up the elements one by one:

a, "a pair of elongated plates arranged face to face and having marginal flanges". These plates are described in the patent as follows: (page 1, Column 1, lines 52 and fig.):

"In its preferred form my signaling arm comprises a pair of complementary plates 2 of identical construction, each having a flange 3 along its upper, outer and lower edge, and a body portion 4 set off relative to the flange but substantially parallel thereto, the body portion extending inwardly beyond the flange, as shown at 5."

"The two plates, when placed in assembled relation, register completely with the flanges 3 disposed in immediately adjacent relation and secured together, by rivets 6 or by spot-welding or other suitable means, and the body sections forming a hollow body which extends inwardly beyond the flanges."

The structure of Plaintiff's Exhibit A uses two pairs of plates instead of one pair. An outer pair forms the arrowhead and an inner pair the length of the arm. The outer pair has the marginal flanges, but does not answer any part of the remainder of the claim, for the reason that it has only one set of lenses. The inner pair does not have the marginal flanges, at least not such flanges as could be used for fastening the plates together. As a matter of fact, the rivets go right through the center of the body portions, an arrangement that could not be used in either the plaintiff's or the defendants' devices because the

lenses are supposed to take up substantially the entire space in the body sections, for the sake of the linear effect and increased visibility.

It is hardly necessary to point out that Plaintiff's Exhibit A requires three separate assembling operations instead of the single assembling operation of the three devices in issue. (Plaintiff's Exhibits C, D and E.)

b, "the body sections of the plates being offset to define an elongated lens-receiving space". In Plaintiff's Exhibit A, the outer plates (the arrowhead) do not define an "elongated", but a "round" lens-receiving space, and the inner plates do not show an "offset" with respect to any marginal flanges because there are no such flanges.

c, "each of the body sections having an alined series of openings therein registering with those of the other".

d, "lenses mounted in the openings of each body section and having flanges bearing on the inner faces thereof."

These two elements may be discussed together because the openings and the lenses are complementary in shape. The lenses "are accommodated in openings 22 in the plates, which in the form shown in Figures 1-4 are the same size as the body portions of the reflectors". (Page 1 of the patent, second column, lines 51 and fig.)

What does the term "alined series of openings" mean? The patent stresses throughout the importance

of the feature that the lenses are elongated in the direction of the arm, which not only makes each lense in itself a miniature direction indicator, but also accentuates the alinement and allows the lenses to occupy greater space on the arm than could be done by means of round reflectors.

“In the furtherance of these objects, it is proposed to use reflecting lenses in combination with a signaling arm and to arrange a plurality of lenses on an arm in such a manner that the lenses form a line coinciding with the line formed by the arm so that the lenses serve to accentuate the directional information given by a particular position of the arm.” (Patent, page 1, column 1, lines 11 and fig.)

“It is further proposed to use lenses which of themselves are of a shape elongated in the general direction of the arm so as ‘to aid in conveying directional information.’” (Patent, page 1, Column 1, lines 19 and fig.)

“The signaling or outer portion of the arm is constructed to display a plurality of reflecting lenses 16 which are preferably made oval or elliptical in shape and which are arranged with their long axes alined and running in the same direction as the arm.” (Patent, page 1, Column 2, lines 32 and fig.)

It is thus apparent that in a fair interpretation of the patent, the term “series of alined openings” has reference to the elongated openings having their long axes alined, as shown in the drawing.

With this interpretation, it is clear that the Plaintiff’s Exhibit A does not show the series of alined

openings, neither in the outer piece, which has only one set of lenses, nor in the inner piece, in which the lenses are not elongated, and therefore present no long axes which can be brought into alinement.

Such construction is plainly warranted under the general rule of interpretation, stated in Walker, Deller Edition, on Page 1242, as follows:

“Patents are to be liberally construed so as to secure to an inventor the real invention which he intends to secure by the patent, and the specification may be referred to in order to explain any ambiguity in the claim and to limit the claim, but the specification is never available to expand the claim.”

e, “a common separator for spacing opposing lenses, the separator being coextensive with the lens-receiving space to facilitate positioning of the same during assembly.”

This separator is of considerable importance for the reasons that it facilitates the assembly of the parts, and its use presupposes the simplified construction of the patented arm. When the two plates are arranged face to face, they define an elongated lens-receiving space or chamber, and this separator is made to just fit inside the chamber, for easy placing. Since the walls of the chamber are parallel and the lenses are all alike and of the same thickness, the single separator will do for all the lenses. This very much simplifies the assembly of the arm, which is described in the patent as follows (Patent, page 2, Column 1, line 14 and fig.):

“One of the two plates 2 is laid on a suitable support with the concave face presented upwardly. Next the lenses intended for the first plate are placed in position in the plate openings, as in Figure 4. The separator, which may be flexible and impervious to light rays, and which is preferably made of paper or cork composition, is placed on top of the lenses.”

“Next the opposite lenses are placed to register with the lower lenses, whereupon the second plate is applied and secured to the first plate by rivets or otherwise. Any slight inaccuracy in the placing of the lenses will be automatically adjusted by the assembling of the plates since the openings in the latter fit closely around the body portions of the former.”

Plaintiff's Exhibit A does not use this common separator and could not use it, since it is made in two different parts which are fitted together after assembly of each.

The findings do not indicate any prior structure showing the common separator but dispose of the latter by stating that the use thereof did not amount to invention. It is true, the separator by itself is merely a single piece of material of a desired form, but so is the lens, and so is the plate and so is each element of an automobile and of a combined harvester. The patentable idea does not lie in the element itself, but in the combination of the element with a specific structure permitting it to be used. The single backing for all the lenses of a signaling arm, no doubt, facilitates the assembling and produces a better article. As has been pointed out, it could not be used

in Plaintiff's Exhibit A; neither could it be used in any of Defendants' prior structures; nor in any of the prior patents relied on.

f, "the faces of the body sections being parallel so as to exert uniform pressure on the interposed lenses and the separator."

In the patented signalling arm, the body sections 4 of the plates are absolutely parallel. There are no flanges surrounding the lenses, no rivets breaking the parallelism of the body sections. The lenses have flanges fitting upon the inner margin of the openings, but the body portions of the lenses rise directly from the flat faces of the plates. This makes for uniformity in pressure on the lenses and the separator all around.

Plaintiff's Exhibit A does not show this uniformity in construction. Each lense is mounted in its special flange and the rivets project right through the body sections. This makes it practically impossible to secure uniform pressure on the edges of the lenses. The Plaintiff testified with regard to the lens mounting on Plaintiff's Exhibit A (Tr. page 96):

"A. We had difficulty with that, we couldn't hold them in position.

Q. Some were loose and some were tight?

A. They would get loose very quick because, as I say, the form portion wasn't flat; it was more or less tapered. You can just take these lenses and rotate them around."

While the term "uniform pressure" is not found in the descriptive part of the patent, this function is

clearly inherent in the structure described, as distinguished from the structure of Plaintiff's Exhibit A.

No finding was made with respect to this last element of the claim, and, in fact, no prior patent and no prior art structure shows this feature.

b. Claim 4, combination idea novel.

No attempt has been made in the findings to anticipate the combination of Claim 4.

Findings 9, 10, 11 and 12 follow the language of Claim 1 and find each of the four parts or elements thereof anticipated. Since all four elements are found to be anticipated in the same prior structure (Plaintiff's Exhibit A), these findings may be considered a specific finding on the combination of Claim 1.

But such is not the case in connection with Claim 4. There is no finding with respect to the combination of Claim 4. Findings 15 and 16 relate to isolated features of Claim 4 and state that the use of a plurality of reflecting lenses in a row on the sides of a vehicle signaling arm, the use of elongated lenses for this purpose, the use of a single separator between the lenses and the making of this separator so as to be coextensive with the lens-receiving space, are features which did not amount to invention at the time of plaintiff's alleged invention.

These findings rather accentuate the fact that the features enumerated could not be found in the prior art structures. But, whether correct or not, they do not cover the combination idea of Claim 4, which defines an arrangement in which two identical plates clamp an alined series of paired reflectors upon a

common separator with substantially uniform pressure.

This combination, simple though it may be, produced an article, new and attractive, which stands out among its predecessors as an article of distinct merit, which may be easily picked from all of the prior structures as the most practical and attractive one and which won immediate recognition in the market by commanding a sale of over 70,000 in a few years.

It certainly is significant that, after the arm had been on the market for fifteen months, and after over 20,000 had been sold throughout the Western territory, the Appellees decided to place on the market substantially the same article. If Wallace himself had not seen the Magarian arm at that time, it may be safely assumed that someone in his organization had observed it, and had in some way conveyed the information.

No finding was made with respect to the last element of Claim 4 relating to the parallel faces of the body section exerting uniform pressure.

It is respectfully submitted that the findings do not support the judgment of the trial court holding Claim 4 invalid, and it is further submitted that Claim 4 does define a patentable combination not anticipated in any prior art structure.

c. Claim 3, novel combination.

Claim 3 is substantially the same as Claim 4, but omits the last limitation, referring to the parallel faces of the body sections. This claim is submitted on sub-

stantially the same argument, for the reason that it still defines a combination in which a pair of identical plates clamp an alined series of paired reflectors upon a common separator which latter is coextensive with the lens-receiving chamber formed between the plates so as to facilitate the assembling of the device.

Since both of the accused devices are substantially Chinese copies of the patented structure and are clearly covered by Claims 3 and 4, and would be covered by any claim that could possibly be drawn on the patented structure, no matter how limited in scope, it is hardly necessary to spend much time on a discussion of Claim 1.

d. **Claim 1, novel in the light of the specifications.**

The Defendants attempted to show, in the cross-examination of Mr. Magarian (Tr. page 70 and fig.), that Claim 1 substantially reads on Plaintiff's prior structure Exhibit A, taking the outer end, that is the arrowhead, by itself. A side by side comparison of the two structures clearly indicates that the two structures (Plaintiff's Exhibit C and the head of Plaintiff's Exhibit A) are entirely different. In fact, the head of Plaintiff's Exhibit A would not make a signal arm since it has no length as called for in an arm and has only one pair of reflectors.

The principal object of the invention, as stated in the patent, is "to arrange a plurality of lenses on an arm in such a manner that the lenses form a line coinciding with the line formed by the arm so that the lenses serve to accentuate the directional information given by a particular position of the arm".

The outer end of Plaintiff's Exhibit A lacks this feature altogether, and, if used by itself on a motor vehicle at nighttime, would not give any information whatsoever because it produces no linear effect.

If Claim 1 is given a fair interpretation, with the words used in their common meaning and construed according to the specification, it will be readily seen that it is not anticipated by Plaintiff's Exhibit A. The claim, segregated into its elements, reads as follows:

1. In a lens mounting for a signal arm,

a, two elongated plates having registering marginal flanges and spaced body portions with registering openings therein,

b, lenses having flanges bearing upon the inner margins of the openings and having body portions projecting through the latter,

c, a separator between the lenses and means for securing the flanges of the plates together whereby the body portions of the plates are made to clamp the lenses upon the separator,

d, the lenses having shaped inner faces to produce desired reflecting effects and the separator serving to prevent play between the lenses and the plates.

What does the term "elongated" mean? The general objects of the invention, as well as the drawings clearly indicate that the term refers to an article that has the length of an arm and produces a distinct linear effect, so as to be capable of indicating by its position, whether it slants downward or upward or

is in a horizontal position. No such linear effect is produced in the head of Plaintiff's Exhibit A.

The claim further calls for "spaced body portions" and "marginal flanges". The term "body portion" usually implies that it is the main part of a structure, while the term "flange" usually implies that it is a mere adjunct, serving a minor function, such as holding body portions together. In the patented device, the term "body portion" is properly applied because it applies to the main portion or part of the signal, and the term "flange" is also properly applied as referring to a subsidiary part. In Exhibit A, the lens-holding portion would hardly be described as the body portion and the outer portion would hardly be described as a marginal flange.

The claim further calls for "openings", in the plural, which in the light of the disclosure naturally means a series of openings for each plate, and a corresponding number of lenses, whereas in Plaintiff's Exhibit A, there is only one opening and one lens for each plate.

It is respectfully submitted that Claim 1, if the terms are interpreted in their ordinary meaning and in the light of the disclosure, giving due regard to the objects of the invention, is not met in the prior structure of Plaintiff's Exhibit A.

D. INFRINGEMENT OF UTILITY PATENT.

The question of infringement needs little discussion. The judgment of the Trial Court holding all

the claims invalid, creates a presumption that the Court believed the claims infringed by the Defendants' devices, because, as a rule, Courts rather save the patent if there is any support for a judgment of non-infringement.

“Where the patent is not infringed, there should be no findings as to its validity, since validity of the patent should not be passed upon unless it is necessary to do so.” (*Automatic Arc Welding Company v. A. O. Smith Corporation*, 60 Fed. 2nd 740.)

As a matter of fact, the Defendants' structures are substantially identical with the patented structure, and it would be difficult indeed, to write a claim on the patented structure that would not cover the accused structures, no matter how limited an interpretation is placed on the terms of each claim.

E. THE DESIGN PATENT.

A design patent is directed to the aesthetic appearance of an article, its sales appeal, its over-all effect.

There are only two findings referring to the Design Patent, namely:

13. It was not new at the time of the alleged invention of Plaintiff's Design Patent to have a signal arm composed of identical elongated plates having raised center portions and marginal flanges with reflectors mounted in a row along the length of the raised center portions, these being shown to be old in Defendants' Exhibit D. (Tr. page 19.)

14. It was not new at the time of the alleged invention of Plaintiff's Design Letters Patent to use elongated lenses or reflectors on signal arms, such being shown to be old in the Costenbader Patent (same).

These findings would support the judgment of invalidity only if substitution of the Costenbader lenses (Tr. page 299) for the lenses used in Defendants' Exhibit D would make the latter the aesthetic equivalent of the patented signaling arm.

But, as a matter of fact, it does not. Costenbader uses an ordinary reflector whereas Appellant was the one to pioneer the idea of the Stimsonite reflector in connection with signal arms. Costenbader shows only one set of reflectors whereas Appellant introduced the "line of light" idea which makes a maximum space on the arm available for reflecting purposes. Both Costenbader and Defendants' Exhibit D mount the reflectors upon the outside of the supporting plate, each reflector by itself, in a special setting which breaks the surface continuity so much desired for aesthetic effect, while Appellant introduces the idea of mounting the reflectors "from within", which causes the body portions of the reflectors to smoothly rise from the face of the plates and to form a practically continuous surface therewith. The Defendants' Exhibit D seeks aesthetic appeal in a rather primitive scheme of diversity, three little buttons and one big button, round buttons on an elongated arm, a special setting for each button and an arrowhead setting off the end against the middle.

Appellant's device comes much closer to satisfying the modern aesthetic sense of uniformity and stream-lined simplicity. All the lenses are alike, they rise smoothly from the surfaces of the plates, they form a straight "line of light" with parallel upper and lower lines, and the plates form a straight frame running parallel to the line of light.

From an aesthetic standpoint, it can hardly be questioned that the three devices in issue, Plaintiff's Exhibits C, D, and E, stand apart in a class of their own, as compared with all the prior art structures and create an impression of simple elegance and perfection which is not found in any of the prior art structures. And that seems to be the essence of a Design Patent.

F. INFRINGEMENT OF DESIGN PATENT.

The three structures in issue, Plaintiff's Exhibits C, D and E, on the other hand, are distinctly members of the same class, as compared with other prior art structures. Any person viewing the three structures among the prior art structures would almost automatically set off the three structures as belonging in a class of their own, as being substantially the same in aesthetic appearance and sales appeal.

That one of the arms has two sets of reflectors instead of three, does not affect the aesthetic appearance and sales appeal of the structures. That is merely an arbitrary difference, and does not affect the sales appeal any more than if one were marked

Smith and the other Jones, or if one were painted white and the other yellow. If such distinctions were of any value, anyone could avoid a design patent by an arbitrary change in color or other arbitrary marking.

G. THE LAW (VALIDITY).

In discussing the law on the points involved in the present case, Appellant will confine himself principally to a single recent decision, the facts of which were so similar to those of the present case that the reasoning of the Court may be applied almost word for word. This is the case of *Forestek Plating and Manufacturing Company v. Knapp-Monarch Company*, 106 Fed. 2nd 554.

The patented article was a combination Tray and Toaster, and the principal novel idea was to secure the toaster to the tray in such a manner as to provide ample open space between the two members so as to allow air to circulate between the same for keeping the tray relatively cool.

The article was protected, as in the present case, by a utility patent and by a design patent. Both patents were in issue and the circumstances surrounding the case were substantially the same as those of the present case.

Both patents were held valid and infringed by both the trial court and the Appellate Court.

The law is so well summarized in this decision that Appellant cannot do better than to copy directly into this brief:

(1-3) In determining the validity of the claims involved, the following legal principles are applicable;

first, that the issuance of the patent is enough to show, until the contrary appears, that all of the conditions prerequisite to patentability are present and that a heavy burden rests on the assailant to show invalidity. *Mumm v. Jacob E. Decker & Sons*, 301 U.S. 168, 171, 57 S. Ct. 675, 81 L. Ed. 983; *Adamson v. Gilliland*, 242 U.S. 350, 353, 37 S. Ct. 169, 61 L. Ed. 356;

second, that a new combination of elements, old in themselves, but which produces a new and useful result, or any diversity of arrangement of old things which introduces a new function, or a new and useful method performing the old function, in a new way, support patentability, *Expanded Metals Company v. Bradford*, 214 U. S. 366, 381, 29 S. Ct. 652, 53 L. Ed. 1034; *Webster Loom Company v. Higgins*, 105 U. S. 580, 591, 26 L. Ed. 1177;

third, if those skilled in the mechanical arts are working in a given field and after repeated efforts, fail to discover a new and useful improvement, he who first makes the discovery has done more than the skilled mechanic in the arts and has achieved patentability. *Temco Electric Motor Company v. Apco Manufacturing Company*, 275 U. S. 319, 48 S. Ct. 170, 72 L. Ed. 298.

(4) The presumption of patentability is strengthened by the fact that the manufacturers discarded alleged anticipating devices and accepted that described in the patent, and also by the immediate acceptance and use by the public of Appellee's appliance and the displacement of

earlier ones, and is indicative of invention rather than mechanical skill, where, as here, the question of patentability is narrow. *Electric Machinery Manufacturing Company v. General Electric Company*, 2 Cir., 88 Fed. Sec. 11.

(5) Where the method or device satisfies an old and recognized want, invention is to be inferred, rather than the exercise of mechanical skill. For mere skill of the art would normally have been called into action by the generally known want. *Paramount Publix Corp. v. American Tri-Ergon Corp.*, 294 U. S. 464, 474, 55 S. Ct. 449, 454, 79 L. Ed. 997. * * * Appellant paid its tribute to the utility of Appellee's device by discontinuing the use of the now claimed anticipating appliances and adopting Appellee's. *Diamond Rubber Company v. Consolidated Tire Company*, 220 U. S. 428, 441, 31 S. Ct. 444, 55 L. Ed. 527.

Referring to the Design Patent, the Court states as follows:

Page 559: The design was for a novel combination of tray and toaster, low, compact, small, smooth and neat, with embossing on the tray and the top of the toaster and on the handles, the whole structural design appealing to the eye, with the upper part coming entirely down toward the base and harmonizing with it. It had the appearance of stability and long wearing life, with a smooth curving contour, and contrasting colors of metal and black.

(8) * * * Every new design of an article manufactured is not patentable. It was the intent of the Congress in the adoption of the design patent law to encourage ornamentation and beautifica-

tion in manufactured articles so as to increase their salability and satisfy the aesthetic sense of the purchasers.

(15) * * * Appellant has been developing and placing on the market, sandwich toasters since 1929, and the fact that it abandoned its own design and adopted Appellee's in all essential particulars, is persuasive evidence that Knapp made a discovery that had escaped the draftsmen skilled in the art.

This decision is so analogous to the present case in both the facts and the application of the law and is so well supported by prior decisions of highest authority, that it hardly seems necessary to refer to additional decisions.

Appellant, however, deems it proper to state that in the decision relied upon there was a dissenting opinion. But the principal argument of the dissenting judge does not apply to the present case. The dissenting judge could not see any combination between the tray and the toaster, stating that "together they perform no unitary or joint function any more than do the pencil and the eraser in the classic case of *Reckendorfer v. Faber*." Whether or not this charge was justified, it certainly does not apply in the present case, in which the plates serve to clamp the lenses upon the separator, the latter presses the lenses against the plates, and the shape of the various elements serve to facilitate the assembling of the parts. If ever there was a genuine combination between different parts, Appellant's device certainly presents such a combination.

Another recent decision in point is *Robertson v. Klauer*, 98 Fed. Sec. 150. This case refers to ventilator structure, and the Court, in upholding the patent, comments as follows:

Page 194:

“Obviously, each element is sized, formed and positioned in particular relation to all or some of the other elements and none can fulfill its mission alone. The usefulness of each arises from and depends upon its co-action with other elements * * *”.

“There is no dispute that a mere aggregation of old elements creates nothing new. It is a mere tying together of so many sticks which retain their entire separate identity of character and function. But the joining of old elements in a way to bring about a new and useful result is not aggregation—it is ‘combination’ and patentable.”

This seems to perfectly describe Applicant’s invention. Each of the elements, the plate, the separator, and the lens, had to be particularly developed to fit into the general plan; each is sized, formed and positioned in particular relationship to all the other elements, and none can fulfill its mission alone. The usefulness of each arises and depends upon its co-action with the others.

H. THE LAW (INFRINGEMENT).

That both of Appellee’s devices (Plaintiff’s Exhibits C and D) fall within the scope of Claims 1, 3 and 4 of the utility patent, will hardly be denied. It is also

clear, without argument, that Plaintiff's Exhibit E (the three window arm) is so identical with the patented arm that it falls within the scope of the design patent. Although the Appellees have discontinued use and manufacture of this arm, they have not done so in deference to the patent, but allegedly for other reasons. (Tr. page 60, last paragraph.) Appellant, therefore, is interested in securing injunctive relief against manufacture and sale by Appellees of the three-window signal arm (Plaintiff's Exhibit E) as well as of the other arm.

The next question is whether the design of the two-window arm (Plaintiff's Exhibit D) is sufficiently close to fall within the scope of the design patent.

Identity of design has been defined by the Supreme Court in *Gorham Manufacturing Company v. White*, 14 Wall. (81 U. S.) 511, as follows:

“What is the true test of identity of design? Plainly it must be sameness of appearance; and mere difference of lines in the drawing or sketch, a greater or smaller number of lines or slight variances in configuration, if insufficient to change the effect upon the eye, will not destroy the substantial identity. *An engraving which has many lines may present to the eye the same picture or conception as another with fewer lines. The design, however, would be the same.* So a pattern for a carpet or a print may be made up of wreaths of flowers arranged in a particular manner. Another carpet may have similar wreaths arranged in a like manner, so that none but very accurate observers could detect a difference; yet in the wreaths upon one there may be fewer flowers, and

wreaths may be placed at wider distances from each other; surely in such a case the designs are alike.”

Under the Supreme Court Decision just given, the criterion seems to be whether the patented device and the accused device produce the same pleasing effect upon the eye. The change from three windows to two windows apparently is purely arbitrary, does not involve any inventive thought and professedly was made merely for the purpose of evading the patent. (Tr. pages 220 and 221.) In fact the italicized portion of the Supreme Court Decision may be bodily transferred to the present case to read as follows:

A signaling arm which has two lenses may present to the eye the same picture, and to the mind the same conception as another with three lenses. The design, however, would be the same.

The Supreme Court clearly indicates that in the example selected of the carpet, it would not make any difference whether the wreaths might have fewer flowers or might be spaced at wider distances from one another, as long as the wreaths were arranged in the same manner. This would seem to fit the present case, in which the plates and the lenses are arranged in the same manner, but two lenses were substituted for three.

The Court in the case cited also defines identity of design as follows:

“We hold, therefore, that if in the eye of an ordinary observer, giving such attention as a purchaser usually gives, two designs are substantially

the same, if the resemblance is such as to deceive such an observer, inducing him to purchase one supposing it to be the other, the first one patented is infringed by the other.” (*Gorham Co. v. White*, 81 U. S. 511.)

The Court thus leaves the decision to the ordinary purchaser, instead of the expert. It further, in the same decision, rejects the idea of side by side comparison, but refers to such comparison as might be made by a person who has previously made up his mind to buy a certain article, and then enters a store to buy it; that is, “memory comparison”.

It should further be noted that a design patent is not a trademark.

“But the object of a design patent is not to identify the article as an article of trade, but to ornament it so as to make it pleasing to the eye, the true rule being: What is the aesthetic effect? And does the alleged infringing device produce upon the eye of the ordinary observer the same aesthetic effect? The sameness of appearance is the sameness of aesthetic effect to the eye.”

Bolt and Weyer Co. v. Knight Light Co., 180 Fed. 413.

The Appellees dwell upon the fact that no particular instances of confusion were brought to the attention of the Court. Such confusion would be exceedingly difficult to prove. The arbitrary change in the number of windows has a certain trademark value or significance, and in side by side comparison, the two arms may be readily distinguished in the same manner as if they prominently displayed different trademarks.

But a design patent is not a trademark. A design patent covers an invention directed to the creation of an article of pleasing appearance, while the very idea of a trademark is arbitrary distinctiveness. If, for instance, in the example selected by the Supreme Court, the two carpets were of exactly the same design and produced the same artistic effect, but the Appellees had arbitrarily placed a red splash right in the center of the carpet, would that avoid infringement of the design patent? Hardly, because the Appellees would still use the infringing design; and yet the Appellees could argue that the ordinary observer would not be deceived or confused, because he could easily distinguish the Appellees' carpet by the red splash.

Confusion would hardly arise in the manner suggested by the Appellees, that a customer might write to the Appellant for a two-window arm or to the Appellees for a three-window arm. In fact, should it happen, it would not prove anything, because it would merely show that this particular customer was already familiar with the arbitrary distinction and merely traced the arm to the wrong source or origin, which would only be of trademark interest.

Source or origin of an article has nothing whatever to do with a design patent which may be infringed even though the owner of the patent may have no article on the market. The sole deciding factor is similarity of aesthetic appearance.

Confusion would be more apt to arise in the following manner: A prospective customer, while driving

on the highway might see the Magarian arm on a truck. It might appeal to him to the extent that he makes up his mind to buy a number for his trucks. A few days later he passes a show window displaying the Detroit arm. "Oh, Yes", he says to himself, "that is the arm I was going to buy", and he steps into the store and buys several. But, in this case, it would be impossible to prove confusion, because the customer, himself, would not know that it was the Magarian arm that sold him on the Detroit arm.

In this respect it becomes important that when viewed from a distance, as by a person traveling on the highway, the reflectors, according to Magarian's testimony, actually do fuse into a continuous line of light, which obliterates the difference in the number of reflectors. (Tr. Page 107) :

"Q. You have never mistaken your signal arm for the Detroit arm, have you?"

"A. From a distance, yes, where it is used on the trucks, because from a distance of about one hundred and fifty or two hundred feet, the lenses blend in together, and you see a continuous reflecting area because these narrow portions here (between the lenses) are rather small and they blend in. From a distance, yes, you can confuse them; right close, I can tell myself."

Or a big concern, like the Western Auto Supply Company, might reason as follows: The two arms look alike to us from a point of view of sales appeal and we buy from the one who offers a slight advantage in terms, which is apparently what actually happened. (Tr. Pages 123, 124 and 151.)

In this case again, there would not be any confusion as to origin, or even as to identity of the two arms, but certainly the Detroit arm would be sold on the strength of the aesthetic appearance of the patented arm. The fact, that, after the adoption by Appellees of the accused arm, the Western Auto Supply Company divided its business between the parties to this action, is excellent proof in itself that this Company was of the opinion that the arms had the same sales appeal.

In view of the above considerations, it is respectfully submitted that the two-window arm of Appellees is a clear infringement of the design patent. A design patent calls for invention in the same manner as a utility patent. If, after an inventor has spent time and money and inventive skill on the development of a new and commercially successful article of manufacture, after he has gone through a rigorous procedure before the Patent Office of the United States to establish his patent rights, after he has gone to the initial expense of making it a commercial success; if, after all his effort and expense, a competitor can virtually copy the design and structure, and, by the introduction of an arbitrary change of mere trademark significance, avoid infringement, this would certainly make a mockery out of our Patent System.

I. OTHER DEFENSES.

1. ALLEGED SUPPRESSION OF EVIDENCE.

Appellees claim that Appellant comes into Court with unclean hands for the alleged reason that he sup-

pressed evidence relative to Plaintiff's Exhibit A during the Patent Office procedure.

This charge is much too absurd to deserve serious consideration. In applying for his patent, the Appellant followed the usual procedure generally adopted by every applicant for a patent. He submitted his disclosure, accompanied by a set of claims, which, of course, were prepared by his attorney, and left it to the Examiner of the Patent Office to find the best references. The twenty-five references cited by the Examiner gave him ample to argue about. The Patent to Elliott (Tr. page 284), as modified by Kimbrough (Tr. pages 288 and 293), and as applied by the Examiner, had substantially the same anticipatory value as his own prior device, Plaintiff's Exhibit A, and there is no reason to assume that the Examiner would have acted any differently if Plaintiff's Exhibit A had been brought to his attention.

The allowed claims do not read on Plaintiff's Exhibit A, any more than they do on Elliott as applied by the Examiner, in view of Kimbrough and Stimson. They do not cover Plaintiff's Exhibit A, but only the differences of his new arm over the old arm, and the Appellees are not sued because they use Plaintiff's Exhibit A, but because they use the very features which distinguish the patented arm from Plaintiff's Exhibit A.

It is well-known that hardly any Applicant brings all of his prior doings to the attention of the Patent Office. Appellant certainly had good cause to believe, upon seeing all of the references cited by the Exam-

iner, that his own prior art would make no difference, and, in fact, he still firmly believes that his own prior art does not affect the present controversy.

2. ALLEGED FALSE MARKING.

The reflectors used in the signaling arm are covered by a series of patents owned or controlled by the manufacturers of the Stimsonite Lens. The numbers of these patents are applied by the manufacturer to the flange of the lens (Tr. page 46) and become hidden in the signal arm assembly. Appellant, therefore, applied the numbers to the name plate on the signaling arm. This was done in full compliance with the law. Any one who purchases a patented article from an authorized source, secures thereby a license to use the article in the manner contemplated. Appellant bought his lenses from Guide Lamp Corporation for the avowed purpose of selling them as part of his signaling arms. Appellant thereby secured the license to sell the lenses in the manner proposed and became a licensee under the patents to that extent.

Many license agreements contain a clause making it obligatory upon the licensee to properly mark the licensed article, and Appellant had the full right to assume that, if there had been a written license agreement, it would have contained such a clause.

But, apart from any contractual relationship, the law positively imposes a duty upon any one selling under a patent to properly mark the article;

Section 4900 R. S. It shall be the duty of all patentees and their assigns and legal representatives,

and of all persons making or vending any patented article for or under them, to give sufficient notice to the public that the same is patented; either by fixing thereon the word "Patent" together with the number of the patent; or, when from the character of the article, this cannot be done, by fixing to it, or to the package wherein one or more of them is inclosed, a label containing the like notice.

Appellant acted strictly in compliance with this section. He certainly sold the articles "under the patents"; from the character of the lenses, he could not place the notice directly on the lens; so he did just what the law prescribes, he fixed a label to the lenses and applied the notice to the label. It should be noted that, under this Section, the marking is as much for the protection of the public, as for that of the patentee.

3. ESTOPPEL BY FILE WRAPPER.

This defense apparently was not pressed by the Appellees, and the record fails to show any facts substantiating the same.

Appellant is not attempting to recapture any claims that may have been cancelled in the regular prosecution of the case, but merely asks for a reasonable interpretation of the claims as finally granted. The Appellees' structures are so close to Appellant's that the most limited construction placed on the claims would still bring the accused devices within the scope thereof.

J. CONCLUSION.

There is no force in any of the subsidiary defenses raised by the Appellees. If the Trial Court had at-

tached any weight to them, it probably would have indicated this, rather than declare both patents invalid, for lack of invention.

The only important question in issue is that of validity of the patent, in view of the prior art, and on this question Appellant feels that the Decision of the Trial Court should be reversed for the main reason that no prior art structure anticipates the combination idea of the invention, whether viewed from the utility or the design point of view.

It is respectfully submitted that the invention :

1, comprises a new combination of elements, each of which had to be particularly designed to perform its function in the combination,

2, represents an article of attractive appearance and decided sales appeal,

3, is not anticipated in any prior structure,

4, has been remarkably successful in the market, and has substantially replaced all older structures,

5, has been adopted by the Appellees, although many prior art structures, including their own, were available.

Appellant, therefore, respectfully asks that both patents in issue be declared valid, and infringed by both of the accused structures.

Dated, San Francisco,
October 6, 1941.

ADELBERT SCHAPP,

Attorney for Appellant.

